
BANKING

FRAUD

Mortgage Interest Rates

BENCH DECISION: Defense.

CASE/NUMBER: Barbara L. Schramm, Steven L. Weinstein v. JP Morgan Chase Bank N.A., Chase Home Finance LLC / 2: 09-cv-09442-JAK-FFM.

COURT/DATE: USDC Central / July 10, 2014.

JUDGE: Hon. John A. Kronstadt.

ATTORNEYS: Plaintiff - Nick Reckas (Law Offices of Nick T. Reckas, Greenbrae); John Stephen Peterson (Peterson Law Group PC, Los Angeles); Craig M. Collins, Steven Blum (Blum Collins LP, Los Angeles); John Girardi, Howard Miller, Molly Weber (Girardi Keese, Los Angeles).

Defendant - David Schrader, Joseph Duffy, Tricia Takagi (Morgan, Lewis & Bockius LLP, Los Angeles); Jonathan Massey (Massey & Gail LLP, Washington, DC); Leonard Gail, Matt Reedy (Massey & Gail LLP, Chicago, Ill.).

FACTS: Barbara Schramm and Steven Weinstein filed a class action against JP Morgan Chase Bank N.A., and Chase Home Finance LLC, in connection with the calculation of interest rates with respect to two adjustable rate, home mortgage loan agreements between the parties.

PLAINTIFF'S CONTENTIONS: Plaintiffs accused defendants of charging higher interest rates than promised. They alleged causes of action for intentional misrepresentation, concealment, promise made without intent to perform, rescission, negligent misrepresentation of fact, violations of the Unfair Competition Act, including permanent injunction, and unjust enrichment.

DEFENDANTS' CONTENTIONS: Defendants contended that the disclosures provided to plaintiffs were not misleading, not unfair and not fraudulent.

RESULT: After a trial on the merits, the court found that plaintiffs failed to carry their burden of proof as to their UCL claims, which were the only claims that survived motion practice. As such, it denied plaintiffs' requested relief, and entered judgment in favor of defendants.